

Experience New World of Responsible Investing

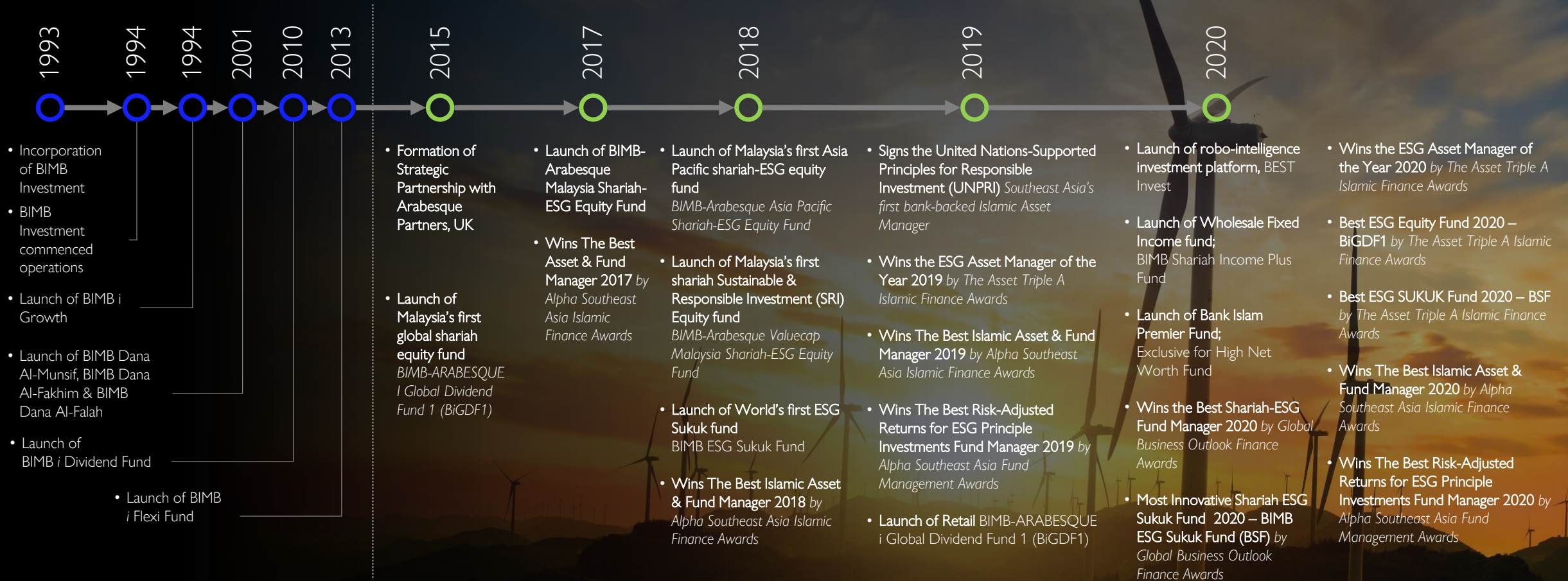
Shariah Investing Dialogue 2021

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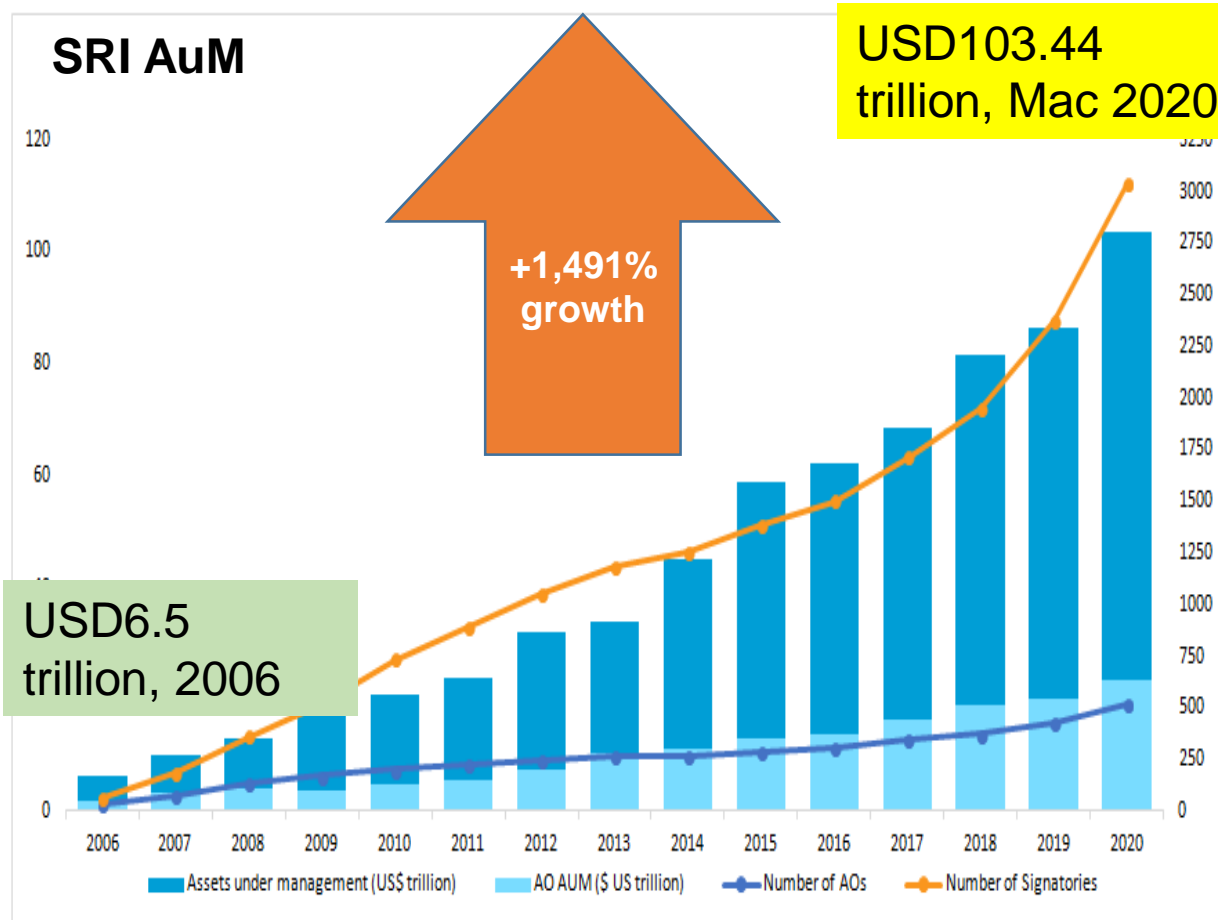
Our Journey

Close to 30 years of investment experience in Shariah Fund Management



Shariah-ESG & Sustainability Transformation

Remarkable Rise of SRI



Source: UNPRI, data as of Dec 2020

SRI has seen a remarkable rise over the past years since its modest start more than 15 years ago

The AUM (include reported AUM and AUM of new signatories provided in sign-up sheet) as of March 2020 was US\$ 103.44 trillion from USD 6.5 trillion in 2006, an impressive growth of **1,491%**.

The total **UNPRI signatories** has grown **4,722%** from the initial of 63 signatories to 3038 signatories as of 2020.

SRI Funds in Malaysia

	SRI	Conventional	Shariah
Total Registered under SC's Guidelines on SRI Funds	14		
Total Launched	20	462	242
Total AuM (RM bil)	2.5*	391.2	131.7
Average fund size per fund (RM mil)	139*	8.47	5.44

Source: SC as of Jan 2021 and compilation by BIMB Investment as of 15/3/2021. *approximately.

- ✓ BIMB-Arabesque i Global Dividend Fund 1 (BiGDF1), launched in 2015, was the first ESG fund in Malaysia
- ✓ As of 15/3/21, BIMB Investment has launched 5 ESG funds across equity, mixed-asset and sukuk asset classes, covering Malaysia, Asia Pacific and global space.
- ✓ 5 out of total 20 SRI funds in Malaysia are managed by BIMB Investment

4 primary drivers for growth in ESG investment.

- The world is changing due to the rising demand for sustainable investing.
- Global sustainability challenges – investors seek to re-evaluate traditional investment approaches.
- Technology, Big Data and analytics are evolving: With better data from companies combined with better ESG research and analytics capabilities
- **Pandemic: 7 out of 12 funds that are registered under the SC's Guidelines on SRI Funds was launched in 2020 and 2021**

ESG & SRI Asset Management - Recommendations

1

Active Stewardship

- Encourage and incentivise companies with lower ESG ratings to increase their ESG ratings by disclosing more information of the companies. This will increase investable universe for ESG fund managers.
- Encourage financial market intermediary: state-owned, state designed companies, and GLC to invest in Shariah ESG products and mandates.
- Encourage pension funds to invest and seed local established Shariah ESG Funds.
- Pension funds to made available **ESG/SRI Funds** in addition to current Shariah Fund and Conventional Fund collective investment scheme

2

Capacity Building

- Setting up research centres on ESG and Sustainability with grant up to RM5 million per company.
- Attract Global Fund Houses with ESG and sustainable expertise to established research centres in Malaysia and collaborate with local universities and employ local talent for the research centre and technology transfer.

3

Talent Development

- Attract global ESG and SRI talents (across industries globally) to work in Malaysia with immigration green lane passes
- Special income tax relief (10% - 15% based on seniority) for the talents and green lane passes.

4

Institutional Investors Support

- Dedicated seed fund allocation up to RM2 billion (ESG & SRI discretionary mandate and retail ESG & SRI unit trust funds) by institutional investors to support the development and value chain of Malaysia's ESG and SRI fund management industry
- Prioritize to support local and foreign fund management companies that are licensed in Malaysia with seed investment of up to five years
- Seed investment in Islamic Fund Management companies that demonstrate initiatives and track record integrating ESG and Shariah and developing shariah ESG investment products and solutions

ESG & SRI Asset Management - Recommendations

5

Incentives for Market Players and Investors

- Tax incentives for Banks that focus on growing SRI / ESG wealth assets particularly private banking, priority banking and wealth management
- Government subsidies/development fund to help ESG Fund Managers to develop own ESG capability through AI
- To allow Islamic ESG Fund Managers as PRS provider
- Tax relief for Individuals/corporate who /which invest in Shariah ESG funds

6

Robo Advisors / Mobile App / Online Unit Trust

- Tax relief for digital investing platforms that have ESG and SRI investment funds.
- Allocate matching seed grant of up to RM 1 billion for ESG and SRI funds listed on digital platform

7

Green & Sustainable Financing

- The fund management industry could play a significant role to support green and sustainable financing and crowdfunding
- The green and sustainable financing should be introduced as a new investment asset class for the fund management industry and recognized as securities under CMSA.

8

ESG / SRI EPF Approved Funds

- FIMM, together with EPF to recognize ESG and SRI funds as one of the core funds in EPF-MIS approved funds.
- As an incentive, ESG and SRI unit trust funds with one year track record are eligible as EPF-MIS approved funds.

9

PRI Signatory

- To encourage locally registered asset and fund management companies to become PRI signatory with tax incentives up to a maximum of RM100K per company based on AUM



START FROM
RM10

ZERO
SALES CHARGE

ROBO-INTELLIGENCE
**SHARIAH
ESG FUNDS**



Robo-Intelligence Sustainable Shariah-ESG Investment App

by BIMB INVESTMENT

BESTnya Melabur!



SCAN ME

BEST - Robo Intelligence Shariah Investment App

The Eight BEST Benefits:

1. No more investment jargons, it is so user friendly
2. No more hassle which funds to choose, just focus on investment goals and financial target to achieve
3. Only need I/C to start investing
4. Investment advisory based on data and analytics to reduce/manage investment risks
5. Secured and trustworthy apps approved and regulated by the Securities Commission Malaysia
6. Your own Shariah investment tool in your palm
7. Easy transfer of your investment returns to any of your preferred banks
8. Go Green, paperless transaction, no physical form.



Makmur myWakaf Fund

Waqf Social Finance for the Now and Hereafter

**Malaysia's First* Wakaf Featured Unit Trust Fund and a
Qualified Sustainable and Responsible Investment** Fund**

**under the Securities Commission Malaysia Waqf-featured Fund Framework*

***under the Securities Commission Malaysia Guidelines on Sustainable and Responsible Investment Funds*

In collaboration with:



Wakaf Distribution

50% of the Fund's monthly income distribution, if any, will be disbursed as Wakaf Asset.

Global Mixed Asset

The Fund shall invest in a broadly diversified portfolio of Shariah-compliant equities, Shariah-compliant equity-related securities, and Islamic fixed income instruments

Distribution of Wakaf Projects

- Health
- Community Empowerment
- Education

Sustainable and Responsible Investment

The Fund's investment policy and strategies adopt the United Global Compact (UNGC) principles and Environmental, Social and Governance (ESG) factors.

BIMB-ARABESQUE GLOBAL SHARIAH SUSTAINABLE EQUITY FUND

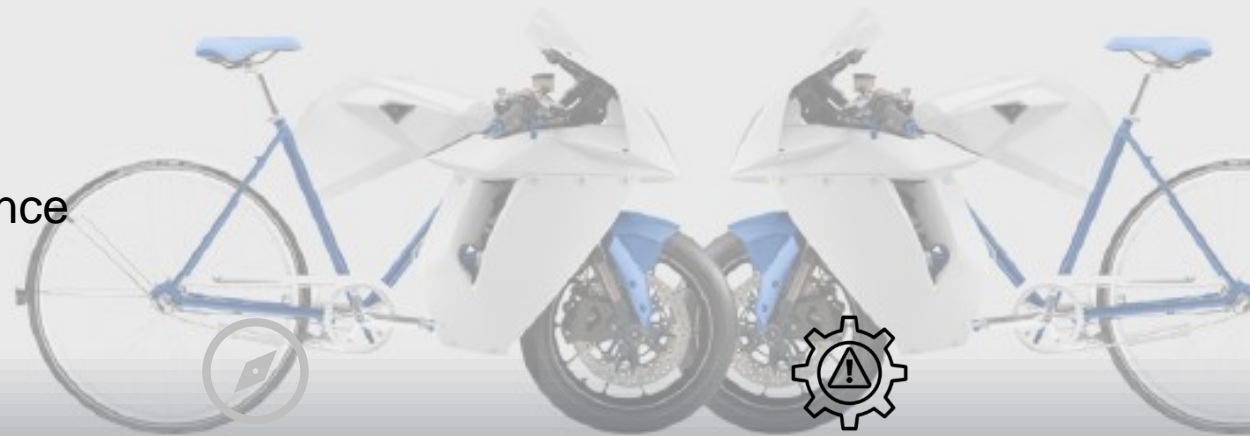
Innovation with Artificial Intelligence Technology and Big
Data for Sustainable Risk Adjusted Investment Performance



Artificial Intelligence



ESG Leader



Weekly Rebalancing



Risk Management

- Leverages the latest advancements in Machine Learning (ML) technology
- Forward-looking indicator to complement stock selection, and enhance performance
- Enables the use of alternative forms of data (i.e. weather, news etc.) in the investment process

- BIMB Investment in partnership with Arabesque were the first movers to adopt an ESG approach in Malaysia
- Arabesque's ESG business, S-Ray® is industry leading, and backed by renowned institutional investors

- The rules-based investment approach systematically rebalances the portfolio on a weekly basis
- This dynamic feature offers the opportunity to capitalise on the latest market trends and reversals

- Stringent risk management requirements protect our clients and allow them to achieve their long-term financial goals
- Individual stock weights are limited to 1% to avoid concentration risk
- Fully diversified across sectors and regions

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Signatory of:



Thank you!